

PARTIES

2. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 2 of the Verified Complaint and, therefore, deny the same.

3. Defendants admit that they maintain a location at 605 Fifth Avenue, Fifth Floor, New York, New York 10017 and denies the remainder of the allegations contained in Paragraph 3 of the Verified Complaint.

JURISDICTION AND VENUE

4. Defendants admit that the Verified Complaint purports to establish subject matter jurisdiction under 15 U.S.C. § 1121, 28 U.S.C. §§ 1331, 1338, and 1367, and 28 U.S.C. § 1338(b) but deny any wrongdoing and further deny that Plaintiff is entitled to any relief.

5. Defendants admit that the Verified Complaint purports to establish venue under 28 U.S.C. § 1391, but deny any wrongdoing and further deny that Plaintiff is entitled to any relief.

FACTS RELATING TO ALL COUNTS

I. John Hardy Limited

6. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 6 of the Verified Complaint and, therefore, deny the same.

7. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 7 of the Verified Complaint and, therefore, deny the same.

8. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 8 of the Verified Complaint and, therefore, deny the same.

9. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 9 of the Verified Complaint and, therefore, deny the same.

II. NAGA Collection Line of Jewelry

10. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 10 of the Verified Complaint and, therefore, deny the same.

11. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 11 of the Verified Complaint and, therefore, deny the same.

12. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 12 of the Verified Complaint and, therefore, deny the same.

13. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 13 of the Verified Complaint and, therefore, deny the same.

14. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 14 of the Verified Complaint and, therefore, deny the same.

15. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 15 of the Verified Complaint and, therefore, deny the same.

16. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 16 of the Verified Complaint and, therefore, deny the same.

17. Defendants deny the allegations contained in Paragraph 17 of the Verified Complaint.

18. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 18 of the Verified Complaint and, therefore, deny the same.

III. KALI Collection Line of Jewelry

19. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 19 of the Verified Complaint and, therefore, deny the same.

20. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 20 of the Verified Complaint and, therefore, deny the same.

21. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 21 of the Verified Complaint and, therefore, deny the same.

22. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 22 of the Verified Complaint and, therefore, deny the same.

23. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 23 of the Verified Complaint and, therefore, deny the same.

24. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 24 of the Verified Complaint and, therefore, deny the same.

25. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 25 of the Verified Complaint and, therefore, deny the same.

26. Defendants deny the allegations contained in Paragraph 26 of the Verified Complaint.

27. Defendants deny the allegations contained in Paragraph 27 of the Verified Complaint.

28. Defendants deny the allegations contained in Paragraph 28 of the Verified Complaint.

29. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 29 of the Verified Complaint and, therefore, deny the same.

30. Defendants deny the allegations contained in Paragraph 30 of the Verified Complaint.

IV. DAYAK Collection Line of Jewelry

31. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 31 of the Verified Complaint and, therefore, deny the same.

32. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 32 of the Verified Complaint and, therefore, deny the same.

33. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 33 of the Verified Complaint and, therefore, deny the same.

34. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 34 of the Verified Complaint and, therefore, deny the same.

35. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 35 of the Verified Complaint and, therefore, deny the same.

36. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 36 of the Verified Complaint and, therefore, deny the same.

37. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 37 of the Verified Complaint and, therefore, deny the same.

38. Defendants deny the allegations contained in Paragraph 38 of the Verified Complaint.

39. Defendants deny the allegations contained in Paragraph 39 of the Verified Complaint.

V. PALU Collection Line of Jewelry

40. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 40 of the Verified Complaint and, therefore, deny the same.

41. Defendants deny the allegations contained in Paragraph 41 of the Verified Complaint.

42. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 42 of the Verified Complaint and, therefore, deny the same.

43. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 43 of the Verified Complaint and, therefore, deny the same.

44. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 44 of the Verified Complaint and, therefore, deny the same.

45. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 45 of the Verified Complaint and, therefore, deny the same.

46. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 46 of the Verified Complaint and, therefore, deny the same.

VI. Other John Hardy Intellectual Property Rights and Background

47. Defendants deny the allegations contained in Paragraph 47 of the Verified Complaint.

48. Defendants deny the allegations contained in Paragraph 48 of the Verified Complaint.

49. Defendants deny the allegations contained in Paragraph 49 of the Verified Complaint.

50. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 50 of the Verified Complaint and, therefore, deny the same.

51. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 51 of the Verified Complaint and, therefore, deny the same.

52. Defendants deny the allegations contained in Paragraph 52 of the Verified Complaint.

53. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 53 of the Verified Complaint and, therefore, deny the same.

54. Defendants deny the allegations contained in Paragraph 54 of the Verified Complaint.

55. Paragraph 55 of the Verified Complaint contains no factual allegations which require a response.

VII. Defendant's Conduct

56. Defendants admit the allegations contained in Paragraph 56 of the Verified Complaint.

57. Defendants deny the allegations contained in Paragraph 57 of the Verified Complaint.

58. Defendants deny the allegations contained in Paragraph 58 of the Verified Complaint.

59. Defendants deny the allegations contained in Paragraph 59 of the Verified Complaint.

60. Defendants deny the allegations contained in Paragraph 60 of the Verified Complaint.

61. Defendants deny the allegations contained in Paragraph 61 of the Verified Complaint.

62. Defendants deny the allegations contained in Paragraph 62 of the Verified Complaint.

63. Defendants deny the allegations contained in Paragraph 63 of the Verified Complaint.

64. Defendants deny the allegations contained in Paragraph 64 of the Verified Complaint.

65. Defendants deny the allegations contained in Paragraph 65 of the Verified Complaint.

66. Defendants deny the allegations contained in Paragraph 66 of the Verified Complaint.

67. Defendants deny the allegations contained in Paragraph 67 of the Verified Complaint.

68. Defendants deny the allegations contained in Paragraph 68 of the Verified Complaint.

69. Defendants deny the allegations contained in Paragraph 69 of the Verified Complaint.

70. Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations contained in Paragraph 70 of the Verified Complaint and, therefore, deny the same.

71. Defendants admit that the NK Website contains a webpage under the link “Show Dates” regarding the Las Vegas Jewelry show but denies the remaining allegations contained in Paragraph 71 of the Verified Complaint.

72. Defendants admit that Exhibit J purports to contain a chart of comparisons between Defendants’ and Plaintiff’s products. Defendants deny the remaining allegations contained in Paragraph 72 of the Verified Complaint.

COUNT 1
(VIOLATION OF 17 § U.S.C. § 106 (COPYRIGHT INFRINGEMENT))

73. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

74. Paragraph 74 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 74 of the Verified Complaint.

75. Defendants deny the allegations contained in Paragraph 75 of the Verified Complaint.

76. Defendants deny the allegations contained in Paragraph 76 of the Verified Complaint.

77. Defendants deny the allegations contained in Paragraph 77 of the Verified Complaint.

78. Paragraph 78 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 78 of the Verified Complaint.

79. Defendants deny the allegations contained in Paragraph 79 of the Verified Complaint.

80. Defendants deny the allegations contained in Paragraph 80 of the Verified Complaint.

COUNT 2
**(FEDERAL, NEW YORK, AND COMMON LAW TRADEMARK
INFRINGEMENT AND UNFAIR COMPETITION)**

81. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

82. Paragraph 82 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 82 of the Verified Complaint.

83. Paragraph 83 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 83 of the Verified Complaint.

84. Paragraph 84 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 84 of the Verified Complaint.

85. Paragraph 85 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 85 of the Verified Complaint.

86. Paragraph 86 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 86 of the Verified Complaint.

87. Defendants deny the allegations contained in Paragraph 87 of the Verified Complaint.

88. Defendants deny the allegations contained in Paragraph 88 of the Verified Complaint.

COUNT 3
**(VIOLATION OF NEW YORK'S COMMON AND STATUTORY UNFAIR
COMPETITION LAW)**

89. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

90. Defendants deny the allegations contained in Paragraph 90 of the Verified Complaint.

91. Defendants deny the allegations contained in Paragraph 91 of the Verified Complaint.

92. Defendants deny the allegations contained in Paragraph 92 of the Verified Complaint.

93. Paragraph 93 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 93 of the Verified Complaint.

94. Defendants deny the allegations contained in Paragraph 94 of the Verified Complaint.

95. Defendants deny the allegations contained in Paragraph 95 of the Verified Complaint.

96. Defendants deny the allegations contained in Paragraph 96 of the Verified Complaint.

COUNT 4
(PRODUCT CONFIGURATION TRADE DRESS INFRINGEMENT)

97. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

98. Defendants deny the allegations contained in Paragraph 98 of the Verified Complaint.

99. Defendants deny the allegations contained in Paragraph 99 of the Verified Complaint.

100. Paragraph 100 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 100 of the Verified Complaint.

101. Defendants deny the allegations contained in Paragraph 101 of the Verified Complaint.

102. Defendants deny the allegations contained in Paragraph 102 of the Verified Complaint.

103. Paragraph 103 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 103 of the Verified Complaint.

104. Defendants deny the allegations contained in Paragraph 104 of the Verified Complaint.

COUNT 5
(FEDERAL FALSE ADVERTISING)

105. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

106. Defendants deny the allegations contained in Paragraph 106 of the Verified Complaint.

107. Defendants deny the allegations contained in Paragraph 107 of the Verified Complaint.

108. Paragraph 108 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 103 of the Verified Complaint.

109. Defendants deny the allegations contained in Paragraph 109 of the Verified Complaint.

110. Defendants deny the allegations contained in Paragraph 110 of the Verified Complaint.

COUNT 6
(DILUTION)

111. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

112. Defendants deny the allegations contained in Paragraph 112 of the Verified Complaint.

113. Defendants deny the allegations contained in Paragraph 113 of the Verified Complaint.

114. Defendants deny the allegations contained in Paragraph 114 of the Verified Complaint.

115. Defendants deny the allegations contained in Paragraph 115 of the Verified Complaint.

116. Defendants deny the allegations contained in Paragraph 116 of the Verified Complaint.

117. Defendants deny the allegations contained in Paragraph 117 of the Verified Complaint.

118. Defendants deny the allegations contained in Paragraph 118 of the Verified Complaint.

119. Defendants deny the allegations contained in Paragraph 119 of the Verified Complaint.

120. Defendants deny the allegations contained in Paragraph 120 of the Verified Complaint.

121. Defendants deny the allegations contained in Paragraph 121 of the Verified Complaint.

122. Defendants deny the allegations contained in Paragraph 122 of the Verified Complaint.

123. Defendants deny the allegations contained in Paragraph 123 of the Verified Complaint.

124. Paragraph 124 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 124 of the Verified Complaint.

125. Defendants deny the allegations contained in Paragraph 125 of the Verified Complaint.

COUNT 7
**(VIOLATION OF NEW YORK LAW PROHIBITING
DECEPTIVE ACTS AND PRACTICES)**

126. Defendants repeat and reallege their answers to Paragraphs 1 through 72 of the Verified Complaint as if fully set forth herein

127. Defendants deny the allegations contained in Paragraph 127 of the Verified Complaint.

128. Paragraph 128 of the Verified Complaint is a legal conclusion to which no response is required. To the extent that a response is required, Defendants deny the allegations contained in Paragraph 128 of the Verified Complaint.

129. Defendants deny the allegations contained in Paragraph 129 of the Verified Complaint.

130. Defendants deny the allegations contained in Paragraph 130 of the Verified Complaint.

DEFENDANTS' AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

131. The Verified Complaint fails to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

132. Defendants are informed and believe and thereon allege that the Trademarks, Trade Dress and/or Copyrights and registrations for the same alleged to exist in the Verified Complaint are invalid, unenforceable and/or non-protectable.

THIRD AFFIRMATIVE DEFENSE

133. Plaintiff has failed to take adequate steps to minimize, alter, reduce or otherwise diminish its damages, if any, with respect to the matters alleged in the Verified Complaint, and by reason of the foregoing, Plaintiff is barred from the recovery of damages.

FOURTH AFFIRMATIVE DEFENSE

134. The Verified Complaint and each purported Claim for Relief asserted therein are uncertain.

FIFTH AFFIRMATIVE DEFENSE

135. Defendants are informed and believe and thereon allege that Plaintiff's Verified Complaint, and each cause of action set forth therein, is barred in whole or in part, because Plaintiff lacks standing to assert them.

SIXTH AFFIRMATIVE DEFENSE

136. Defendants are informed and believe and thereon allege that Plaintiff's claims are barred or limited, in whole or in part, because Defendants have not engaged in any unlawful or unfair conduct and have not copied and/or used any of Plaintiff's alleged Trademarks, Trade Dress and/or Copyrights.

SEVENTH AFFIRMATIVE DEFENSE

137. Defendants are informed and believe and thereon allege that Plaintiff's claims are barred or limited, in whole or in part, because the alleged works are not famous, not inherently distinctive and have not acquired secondary meaning.

EIGHT AFFIRMATIVE DEFENSE

138. Defendants are informed and believe and thereon allege that each and every claim asserted by the Plaintiff is moot because Defendants are not advertising, reproducing, distributing, offering for sale or otherwise selling any goods or services which use the purported Trademarks and/or Copyrights

NINTH AFFIRMATIVE DEFENSE

139. Defendants' conduct was at all times undertaken in good faith and without any knowledge or intent to infringe Plaintiff's purported Trademarks and/or Copyrights.

TENTH AFFIRMATIVE DEFENSE

140. Defendants are informed and believe and thereon allege that Plaintiff is not entitled to equitable relief because Plaintiff has an adequate remedy at law.

ELEVENTH AFFIRMATIVE DEFENSE

141. Defendants are informed and believe and thereon allege that at all times mentioned in Plaintiff's Complaint, Defendant's acts were not a legal cause of damages, if any, to Plaintiff.

TWELFTH AFFIRMATIVE DEFENSE

142. Defendants are informed and believe and thereon allege that the damages, if any, of Plaintiff, are speculative, uncertain and not capable of being determined by a finder of fact.

THIRTEENTH AFFIRMATIVE DEFENSE

143. Defendants are informed and believe and thereon allege that Plaintiff's Complaint fails to state facts sufficient to support an award of damages for attorneys' fees, expert witness fees and any other litigation fees, costs, and expenses as against Defendants.

FOURTEENTH AFFIRMATIVE DEFENSE

144. Defendants are informed and believe and thereon allege that they may have additional defenses that cannot be articulated due to Plaintiff's failure to particularize its claims with regard to this answering Defendants and failure to provide more specific information concerning the nature of the damage claims and claims for certain costs for which Plaintiff alleges that Defendants may have some responsibility. Defendants therefore reserve the right to assert additional defenses upon further particularization of Plaintiff's claims, upon examination of the documents provided, upon discovery of further information concerning the alleged damage claims and claims for costs, and upon the development of any other pertinent information.

WHEREFORE, Defendants respectfully request that this Court enter judgment in favor of Defendants NKA Corp., d/b/a NK New York, and NK Jewelry as follows:

- A. Dismissing this case with prejudice, assessing reasonable attorney's fees and costs against plaintiff under the Copyright Act, and granting such other and further relief as the Court deems just and proper.

Defendants demand a jury trial all claims and defenses.

Dated: New York, New York
August 4, 2011

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and NK Jewelry.*

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